

TO: Governor's Energy Efficiency and Renewables Task Force
Regulatory Initiatives Workgroup Members

FROM: Brian Rude

DATE: May 12, 2004

RE: **Minutes from May 11, 2004 Workgroup Meeting**

Workgroup members present:

| | |
|-------------------|-------------------|
| Brian Rude, chair | Keith Reopelle |
| Rep. Scott Jensen | Michael Vickerman |

Task Force Staff present:

Bill Walker, DOA

Stakeholders present:

| | | |
|---|----------------------|----------------------|
| Katie Abend, Martin Schreiber & Associates | Dave Hansen, DATCP | Sandra Miller, DATCP |
| Cathy Boies, CFC | Rebecca Larson, Xcel | Katie Nekola, FoE |
| Rich Hackner, FoE | Pat Meier, DOA | Susan Stratton, ECW |

The next Regulatory Initiatives Workgroup meeting is scheduled for Tuesday, June 8th from 10:00 a.m. – 11:30 a.m. at the offices of Cullen Weston Pines & Bach LLP (122 West Washington Ave., 9th Floor, Madison).

Meeting Outcomes

- Workgroup reviewed status of AB 977/SB 554, legislation to increase the state's purchases of renewable energy. Group agreed to revise the bill to include: 10-year definition for long-term arrangements, expand scope to include state leased facilities, DNR, Health and Family Services and State Fair Park facilities, and language revisions to address concerns about retail wheeling and eligible public utilities. The group also requested research regarding DOA's requirement to apply a life-cycle cost test to state purchases to ensure this legislation does not conflict with other statutory requirements. A list of drafting recommendations reflecting the above changes will be developed.
- Workgroup also discussed the fiscal estimate for AB 977/SB 554, commenting that some of the assumptions underlying this estimate may be subject to debate. Group agreed that the Task Force's recommendation on this legislation is predicated on the extension of the federal Production Tax Credit. If this tax credit is not extended, the Task Force may need to reconsider the economics of this legislation.

- Representatives from DATCP also addressed the Workgroup to share their agency's experience with rural development and electricity production. They requested a carved-role for DATCP related to rural electricity issues as opposed to the ad hoc approach now taken. Workgroup agreed to the following actions related to rural electricity issues:
 - Recommend to the full Task Force that its final recommendations include a statement encouraging the state to rationalize its policy on ethanol production (i.e. the state should end the contradictory approach of subsidizing ethanol production and then regulating and litigating producers)
 - Draft a letter to Wisconsin's congressional delegation asking that Wisconsin's interests be protected in the 2007 Congressional farm bill
 - Consider developing a permitting guide or model ordinance for anaerobic digestors for use by local communities
 - Research statutory language regarding DATCP's role with respect to rural energy production
 - Research the possibility of a rural financing authority that would provide assistance to rural residents looking to make energy efficiency improvements or purchase renewable systems